

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

Lagoon Estates Water Company L

2600 N. 44th St, Ste 203

Phoenix, AZ 85008

W-01825A

RECEIVED

ACC UTILITIES DIRECTOR

ANNUAL REPORT

FOR YEAR ENDING

| | | |
|----|----|------|
| 12 | 31 | 2009 |
|----|----|------|

FOR COMMISSION USE

| | |
|-------|----|
| ANN04 | 09 |
|-------|----|

4-23-10

COMPANY INFORMATION

Company Name (BusinessName) Lagoon Estates Water Company

Mailing Address 2600 N. 44th Street, Suite 203
(Street)

Phoenix

(City)

AZ

(State)

85008

(Zip)

602-275-5402

Telephone No. (Include Area Code)

602-275-8742

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address: sherrillfarmsi@msn.com

Local Office Mailing Address _____

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: _____

Stan Miller

(Name)

Controller

(Title)

2600 N. 44th Street, Ste 203

(Street)

Phoenix

(City)

AZ

(State)

85008

(Zip)

602-275-5402

Telephone No. (Include Area Code)

602-275-8742

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: _____

Charles B. Sherrill Jr

(Name)

2801 Laguna Road

(Street)

Mohave Valley

(City)

AZ

(State)

86440

(Zip)

928-768-7979

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Charles B. Sherrill Jr.

| | | | |
|--|--------------------------|-----------|--------------|
| <u>2600 N. 44th St, Ste 203</u> | <u>(Name)</u> Phoenix | <u>AZ</u> | <u>85008</u> |
| (Street) | (City) | (State) | (Zip) |

| | | |
|-----------------------------------|-----------------------------|------------------------------------|
| <u>602-275-5402</u> | <u>602-275-8742</u> | <u></u> |
| Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) |

Attorney: Gerald Sherrill

| | | | |
|--|--------------------------|-----------|--------------|
| <u>2600 N. 44th St, Ste 203</u> | <u>(Name)</u> Phoenix | <u>AZ</u> | <u>85008</u> |
| (Street) | (City) | (State) | (Zip) |

| | | |
|-----------------------------------|-----------------------------|------------------------------------|
| <u>602-275-5402</u> | <u>602-275-8742</u> | <u></u> |
| Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) |

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input checked="" type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|-----------------------------------|--|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input checked="" type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

UTILITY PLANT IN SERVICE

| Acct. No. | DESCRIPTION | Original Cost (OC) | Accumulated Depreciation (AD) | O.C.L.D. (OC less AD) |
|----------------------|---|-------------------------------|--|----------------------------------|
| 301 | Organization | | | |
| 302 | Franchises | | | |
| 303 | Land and Land Rights | 28,262 | 0 | 28,262 |
| 304 | Structures and Improvements | 43,779 | 29,269 | 14,510 |
| 307 | Wells and Springs | 76,079 | 50,373 | 25,706 |
| 311 | Pumping Equipment | 68,039 | 59,053 | 8,988 |
| 320 | Water Treatment Equipment | 15,467 | 7,913 | 7,554 |
| 330 | Distribution Reservoirs and Standpipes | 54,868 | 54,212 | 656 |
| 331 | Transmission and Distribution Mains | 220,674 | 169,989 | 50,685 |
| 333 | Services | | | |
| 334 | Meters and Meter Installations | 33,817 | 28,818 | 4,998 |
| 335 | Hydrants | 448 | 448 | 0 |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | 1,655 | 212 | 1,443 |
| 340 | Office Furniture and Equipment | 8,724 | 8,279 | 445 |
| 341 | Transportation Equipment | 4,384 | 2,914 | 1,472 |
| 343 | Tools, Shop and Garage Equipment | | | |
| 344 | Laboratory Equipment | | | |
| 345 | Power Operated Equipment | | | |
| 346 | Communication Equipment | | | |
| 347 | Miscellaneous Equipment | | | |
| 348 | Other Tangible Plant | | | |
| | TOTALS | 556,199 | 411,477 | 144,719 |

This amount goes on the Balance Sheet Acct. No. 108



CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

| Acct. No. | DESCRIPTION | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|--------------|--|----------------------|-----------------------------------|----------------------------------|
| 301 | Organization | | | |
| 302 | Franchises | | | |
| 303 | Land and Land Rights | 28,262 | 0 | 0 |
| 304 | Structures and Improvements | 43,779 | 3.23 | 1,414 |
| 307 | Wells and Springs | 76,079 | 3.23 | 2,457 |
| 311 | Pumping Equipment | 68,039 | 3.23 | 2,198 |
| 320 | Water Treatment Equipment | 15,467 | 3.23 | 500 |
| 330 | Distribution Reservoirs and Standpipes | 54,868 | 3.23 | 1,772 |
| 331 | Transmission and Distribution Mains | 220,674 | 3.23 | 7,128 |
| 333 | Services | | | |
| 334 | Meters and Meter Installations | 33,817 | 3.23 | 1,092 |
| 335 | Hydrants | 448 | 0 | 0 |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | 1,655 | 3.23 | 53 |
| 340 | Office Furniture and Equipment | 8,724 | 3.23 | 282 |
| 341 | Transportation Equipment | 4,384 | 3.23 | 142 |
| 343 | Tools, Shop and Garage Equipment | | | |
| 344 | Laboratory Equipment | | | |
| 345 | Power Operated Equipment | | | |
| 346 | Communication Equipment | | | |
| 347 | Miscellaneous Equipment | | | |
| 348 | Other Tangible Plant | | | |
| | TOTALS | 556,199 | | 17,038 |

This amount goes on the Comparative Statement of Income and Expense _____
 Acct. No. 403.

BALANCE SHEET

| Acct No. | ASSETS | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|-------------|---|------------------------------------|------------------------------|
| | CURRENT AND ACCRUED ASSETS | | |
| 131 | Cash | \$3,233 | \$2,933 |
| 134 | Working Funds | | |
| 135 | Temporary Cash Investments | | |
| 141 | Customer Accounts Receivable | | |
| 146 | Notes/Receivables from Associated Companies | \$3,944 | \$12,818 |
| 151 | Plant Material and Supplies | | |
| 162 | Prepayments | | |
| 174 | Miscellaneous Current and Accrued Assets | | |
| | TOTAL CURRENT AND ACCRUED ASSETS | \$7,177 | \$15,751 |
| | FIXED ASSETS | | |
| 101 | Utility Plant in Service | \$557,271 | \$556,199 |
| 103 | Property Held for Future Use | | |
| 105 | Construction Work in Progress | | |
| 108 | Accumulated Depreciation – Utility Plant | \$394,439 | \$411,477 |
| 121 | Non-Utility Property | | |
| 122 | Accumulated Depreciation – Non Utility | | |
| | TOTAL FIXED ASSETS | \$162,832 | \$144,722 |
| | TOTAL ASSETS | \$170,009 | \$160,473 |

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

| Acct. No. | | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|--------------|---|------------------------------------|------------------------------|
| | LIABILITIES | | |
| | CURRENT LIABILITES | | |
| 231 | Accounts Payable | \$77 | \$48 |
| 232 | Notes Payable (Current Portion) | | |
| 234 | Notes/Accounts Payable to Associated Companies | | |
| 235 | Customer Deposits | \$50,665 | \$40,567 |
| 236 | Accrued Taxes | | |
| 237 | Accrued Interest | | |
| 241 | Miscellaneous Current and Accrued Liabilities | \$3,242 | \$2,576 |
| | TOTAL CURRENT LIABILITIES | \$53,984 | \$ |
| | LONG-TERM DEBT (Over 12 Months) | | |
| 224 | Long-Term Notes and Bonds | \$0 | \$0 |
| | DEFERRED CREDITS | | |
| 251 | Unamortized Premium on Debt | \$ | \$ |
| 252 | Advances in Aid of Construction | \$35,894 | \$35,894 |
| 255 | Accumulated Deferred Investment Tax Credits | | |
| 271 | Contributions in Aid of Construction | | |
| 272 | Less: Amortization of Contributions | | |
| 281 | Accumulated Deferred Income Tax | | |
| | TOTAL DEFERRED CREDITS | \$35,984 | \$35,894 |
| | TOTAL LIABILITIES | \$89,878 | \$79,085 |
| | CAPITAL ACCOUNTS | | |
| 201 | Common Stock Issued | \$75,214 | \$75,214 |
| 211 | Paid in Capital in Excess of Par Value | \$101,471 | \$101,471 |
| 215 | Retained Earnings | \$(96,554) | \$(95,297) |
| 218 | Proprietary Capital (Sole Props and Partnerships) | | |
| | TOTAL CAPITAL | \$80,131 | \$81,388 |
| | TOTAL LIABILITIES AND CAPITAL | \$170,009 | 160,473 |

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

| Acct. No. | OPERATING REVENUES | PRIOR YEAR | CURRENT YEAR |
|-----------|---|------------------|------------------|
| 461 | Metered Water Revenue | \$187,999 | \$167,339 |
| 460 | Unmetered Water Revenue | | |
| 474 | Other Water Revenues | \$11,610 | \$20,764 |
| | TOTAL REVENUES | \$199,609 | \$188,103 |
| | | | |
| | OPERATING EXPENSES | | |
| 601 | Salaries and Wages | \$92,505 | \$61,545 |
| 610 | Purchased Water | | |
| 615 | Purchased Power | \$9,949 | \$8,740 |
| 618 | Chemicals | \$973 | \$4,019 |
| 620 | Repairs and Maintenance | \$12,734 | \$12,624 |
| 621 | Office Supplies and Expense | \$15,842 | \$22,154 |
| 630 | Outside Services | \$5,563 | \$200 |
| 635 | Water Testing | \$3,920 | \$2,745 |
| 641 | Rents | | |
| 650 | Transportation Expenses | \$10,823 | \$3,717 |
| 657 | Insurance – General Liability | \$6,338 | \$10,020 |
| 659 | Insurance - Health and Life | \$4,658 | \$9,586 |
| 666 | Regulatory Commission Expense – Rate Case | | |
| 675 | Miscellaneous Expense | \$4,512 | \$7,599 |
| 403 | Depreciation Expense | \$17,072 | \$17,038 |
| 408 | Taxes Other Than Income | \$15,011 | \$14,386 |
| 408.11 | Property Taxes | \$5,967 | \$6,992 |
| 409 | Income Tax | | |
| | TOTAL OPERATING EXPENSES | \$205,868 | \$181,365 |
| | | | |
| | OPERATING INCOME/(LOSS) | (\$6,281) | \$6,735 |
| | | | |
| | OTHER INCOME/(EXPENSE) | | |
| 419 | Interest and Dividend Income | \$ | |
| 421 | Non-Utility Income | | |
| 426 | Miscellaneous Non-Utility Expenses | | |
| 427 | Interest Expense | \$21 | \$50 |
| | TOTAL OTHER INCOME/(EXPENSE) | | |
| | | | |
| | NET INCOME/(LOSS) | (\$6,280) | \$6,685 |

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

| | LOAN #1 | LOAN #2 | LOAN #3 | LOAN #4 |
|------------------------|---------|---------|---------|---------|
| Date Issued | | | | |
| Source of Loan | | | | |
| ACC Decision No. | | | | |
| Reason for Loan | | | | |
| Dollar Amount Issued | | \$ | \$ | \$ |
| Amount Outstanding | | \$ | \$ | \$ |
| Date of Maturity | | | | |
| Interest Rate | % | % | % | % |
| Current Year Interest | \$ | \$ | \$ | \$ |
| Current Year Principle | \$ | \$ | \$ | \$ |

Meter Deposit Balance at Test Year End \$23,626

Meter Deposits Refunded During the Test Year \$9,434

WATER COMPANY PLANT DESCRIPTION**WELLS**

| ADWR ID Number* | Pump Horsepower | Pump Yield (gpm) | Casing Depth (Feet) | Casing Diameter (Inches) | Meter Size (inches) | Year Drilled |
|----------------------------|----------------------------|-----------------------------|------------------------------------|---|--------------------------------|-------------------------|
| 55-536722 | 40 TURBANE | 1500 | 270 | 16 | 8 | |
| 55-618835 | 7.5 | 3.5 | 175 | 12 | 4 | |
| 55-618836 | 7.5 | 300 | 180 | 8 | 3 | |
| 55-618837 | 5 | 300 | 210 | 8 | 3 | |
| | | | | | | |
| | | | | | | |

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

| Name or Description | Capacity (gpm) | Gallons Purchased or Obtained (in thousands) |
|----------------------------|---------------------------|---|
| | | |
| | | |

| BOOSTER PUMPS | | FIRE HYDRANTS | |
|----------------------|-----------------|--------------------------|-----------------------|
| Horsepower | Quantity | Quantity Standard | Quantity Other |
| | | 7 | 6 Joneshead |
| | | | |
| | | | |
| | | | |

| STORAGE TANKS | | PRESSURE TANKS | |
|----------------------|-----------------|-----------------------|-----------------|
| Capacity | Quantity | Capacity | Quantity |
| | | 5000 | 4 |
| | | | |
| | | | |
| | | | |

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

| Size (in inches) | Material | Length (in feet) |
|------------------|------------|------------------|
| 2 | | |
| 3 | | |
| 4 | PVC | 178,680 |
| 5 | | |
| 6 | PVC | 10870 |
| 8 | ACP 342 | PVC1827 |
| 10 | PCV (C900) | 1833 |
| 12 | | |
| | | |
| | | |
| | | |
| | | |
| | | |

CUSTOMER METERS

| Size (in inches) | Quantity |
|------------------|----------|
| 5/8 X 3/4 | 372 |
| 3/4 | |
| 1 | 2 |
| 1 1/2 | |
| 2 | 1 |
| Comp. 3 | |
| Turbo 3 | |
| Comp. 4 | |
| Tubo 4 | |
| Comp. 6 | |
| Tubo 6 | |
| Tubo 8 | 1 |
| | |

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

RETAIL SINGLE CYCLINDER GAS CHLORINATOR

STRUCTURES:

SHOP BUILDING

UTILITY SHED

OTHER:

SECURITY CYCLONE FENCING

NATURAL GAS ONAN GENERTOR

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2009

| MONTH | NUMBER OF CUSTOMERS | GALLONS SOLD | GALLON PUMPED (Thousands) |
|-----------|---------------------|-------------------|------------------------------|
| JANUARY | | 2292000 | 2292000 |
| FEBRUARY | | 2256000 | 2256000 |
| MARCH | | 2169000 | 2269000 |
| APRIL | | 3273000 | 3348000 |
| MAY | | 3012000 | 3012000 |
| JUNE | | 2557000 | 2793000 |
| JULY | | 3221000 | 3221000 |
| AUGUST | | 2975260 | 3317000 |
| SEPTEMBER | | 2591000 | 2625000 |
| OCTOBER | | 1989000 | 2023000 |
| NOVEMBER | | 2234000 | 2352000 |
| DECEMBER | | 1515000 | 1611000 |
| TOTAL | | 30,084,260 | 31,119,000 |

Difference in sold verses pumped is irrigation and flushing that were not billed to customers.

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ (X) Yes ☐ () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ () Yes ☒ (X) No

If yes, provide the GPCPD amount:_____

What is the level of arsenic for each well on your system. 08-021 .005 PPB
(If more than one well, please list each separately.) **08-046 .0092 PPB**

Note: If you are filing for more than one system, please provide separate data sheets for each system.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2009

| MONTH | NUMBER OF CUSTOMERS | GALLONS SOLD | GALLON PUMPED (Thousands) |
|-----------|---------------------|----------------|---------------------------|
| JANUARY | 36 | 2292000 | 2292000 |
| FEBRUARY | 36 | 2256000 | 2256000 |
| MARCH | 36 | 2169000 | 2269000 |
| APRIL | 36 | 3273000 | 3348000 |
| MAY | 36 | 3012000 | 3012000 |
| JUNE | 36 | 2557000 | 2793000 |
| JULY | 36 | 3221000 | 3221000 |
| AUGUST | 36 | 2975260 | 3317000 |
| SEPTEMBER | 36 | 2591000 | 2625000 |
| OCTOBER | 36 | 1989000 | 2023000 |
| NOVEMBER | 35 | 2234000 | 2352000 |
| DECEMBER | 35 | 1515000 | 1611000 |
| TOTAL | | 2271000 | 2501000 |

COMPANY NAME LAGOON ESTATES WATER COMPANY **YEAR ENDING 12/31/2008**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2009 was: \$ 6,992

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED

ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED
OF THE

| |
|-------------------------------------|
| COUNTY OF (COUNTY NAME) |
| MOHAVE |
| NAME (OWNER OR OFFICIAL) TITLE |
| STANLEY MILLER, CONTROLLER |
| COMPANY NAME |
| LAGOON ESTATES WATER COMPANY |

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

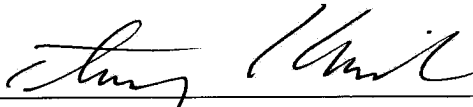
| MONTH | DAY | YEAR |
|-------|-----|------|
| 12 | 31 | 2009 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.


SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

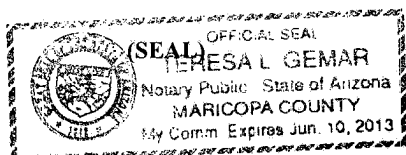
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

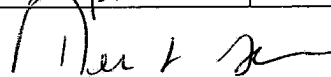
THIS

10/12

DAY OF



| | |
|-------------|-----------------|
| COUNTY NAME | <u>Maricopa</u> |
| MONTH | <u>April</u> |
| | <u>2009</u> |



SIGNATURE OF NOTARY PUBLIC

COMPANY NAME LAGOON ESTATES WATER COMPANY YEAR ENDING 12/31/2009**INCOME TAXES**

For this reporting period, provide the following:

| | |
|---|-----------------------------|
| Federal Taxable Income Reported | <u>\$ (2040)</u> |
| Estimated or Actual Federal Tax Liability | <u> </u> |
| State Taxable Income Reported | <u>\$ (2040)</u> |
| Estimated or Actual State Tax Liability | <u>0</u> |

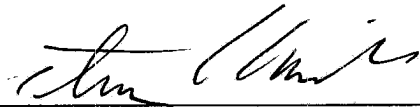
Amount of Grossed-Up Contributions/Advances:

| | |
|---|---|
| Amount of Contributions/Advances | <u> </u> |
| Amount of Gross-Up Tax Collected | <u> </u> |
| Total Grossed-Up Contributions/Advances | <u> </u> |

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

4-14-10

DATE

Stanley Miller

PRINTED NAME

Controller

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

| |
|---|
| COUNTY OF (COUNTY NAME) MOHAVE |
| NAME (OWNER OR OFFICIAL) TITLE STANLEY MILLER, CONTROLLER |
| COMPANY NAME LAGOON ESTATES WATER COMPANY |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| MONTH | DAY | YEAR |
|-------|-----|------|
| 12 | 31 | 2009 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2009 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$188,103

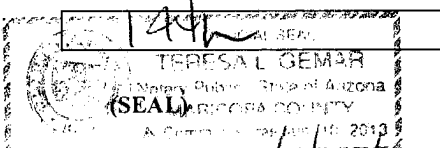
(THE AMOUNT IN BOX ABOVE
INCLUDES \$9,337.35
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



DAY OF

Stan Miller
SIGNATURE OF OWNER OR OFFICIAL
602-275 5902
TELEPHONE NUMBER

| | | |
|-------------|-----------------|-------------|
| COUNTY NAME | <u>Maricopa</u> | |
| MONTH | <u>April</u> | <u>2010</u> |

Mark J.
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 6/10/2013

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

| | |
|--|---------------------|
| COUNTY OF (COUNTY NAME) MOHAVE | |
| NAME (OWNER OR OFFICIAL) STANLEY MILLER | TITLE CONTROLLER |
| COMPANY NAME LAGOON ESTATES WATER COMPANY | |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2009 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2009 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$188,103

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$9,337.35
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

Stanley Miller
SIGNATURE OF OWNER OR OFFICIAL

602 575 5402

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

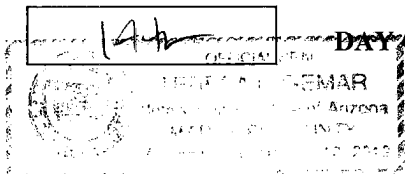
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

14th

DAY OF

(SEAL)



MY COMMISSION EXPIRES

| | |
|--|--------------|
| NOTARY PUBLIC NAME <i>Teresa L Gernar</i> | |
| COUNTY NAME <i>Mariupia</i> | |
| MONTH <i>April</i> | 20 <i>10</i> |

X

Teresa L Gernar
SIGNATURE OF NOTARY PUBLIC